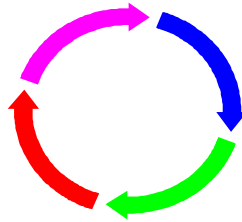


STRATEGIC PLANNING AND BUDGETING

Information about the California's court strategic planning and budget development process is presented in three parts:

1. **Setting the Context: Strategic Planning and Budget Development;**
2. **General Overview of Strategic Planning; and**
3. **The Five-Step Community-Focused Court Planning Model.**



PART 1: SETTING THE CONTEXT — STRATEGIC PLANNING AND BUDGET DEVELOPMENT

PRIORITIES AND THE SCOPE OF FUNDING FOR STRATEGIC CHANGE.¹

In the past, many budget management reforms have failed to connect the priority setting of program planning with the resource allocation decision making of budgeting. As the California judicial branch moves through the transition to single-source state funding, it has a unique and challenging opportunity to connect its strategic planning and budget development activities so that they serve and support each other. At this time of transition, the fundamental question the courts and the Judicial Council face is “How do we finance new priorities, workload increase, and innovation in times of fiscal constraint?”

There is always an insufficiency of resources to accomplish all we seek to do. To develop effective and defensible budget requests, court leaders must:

- Set priorities among competing objectives;
- Take the cost of implementation into account when setting the priority;
- Make hard choices in setting funding priorities;
- Review the efficacy and “strategic fit” of existing programs; and
- Take the long view in establishing and funding priorities.

¹ Adapted from *Setting Priorities and Funding Strategic Change in California's Courts*, Prof. John K. Hudzik, 1994

Some changes and innovations are expensive and require multi-year commitments of effort and funds (e.g., automation). Many of the most important strategic priorities for California courts will require just such long view commitments. Not all change and innovation costs money, however. High performing organizations assign high priority to implementing those innovations that markedly improve performance but minimize the need for new expenditures. The implementation of low cost change is not only smart “business” practice but a necessity in time of budget limitations.

For those innovations and improvements that cost money, the critical questions are *what is their total cost and over what period of time?* The main options include:

- A *one-time expenditure* of funds (e.g., for equipment upgrading, one time studies).
- A *large initial investment* followed by *smaller recurring operational costs* (e.g., installation of a system wide computerized case management system).
- A *multi-year (recurring) cost* (e.g., establishment of neighborhood justice centers).

Other ways in which organizations can augment their resources is to look *inward* for operational improvements as much as they look *outward* for resources. Lessons learned in many state governments and organizations over the last decade, now widely documented in both scholarly and practitioner literature, include:

- Organizations and programs that do not control growth in costs may lose the freedom to manage even mandated responsibilities, let alone find the means to fund high priority discretionary initiatives. (For example, in Florida, the legislature has mandated through constitutional amendment effective planning and performance based budgeting requirements for the judicial branch.)
- Organizations must create effective internal mechanisms to review and control increases to base budgets.
- The natural inclination is not to effectively pursue cost control or organizational change unless there are incentives to do so. Effective strategic management allows cost savers and innovators to share in the benefits of cost control and be rewarded for good cost control behaviors.

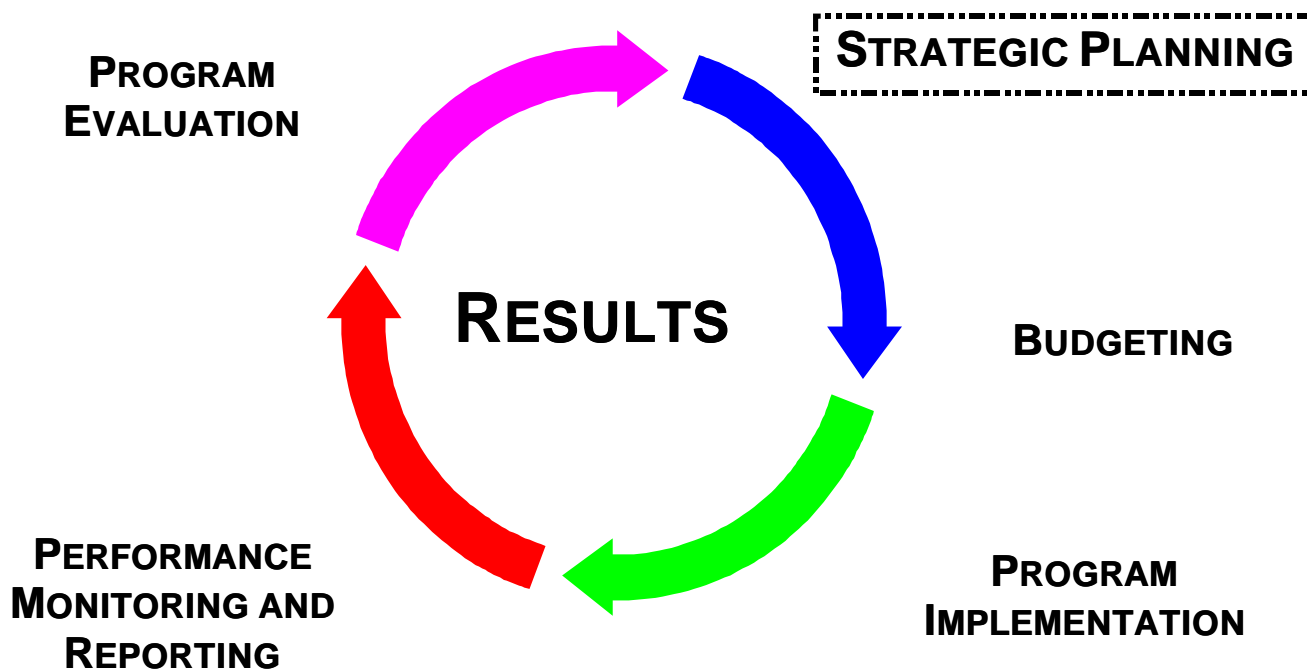
- Service deteriorates unless organizations find the means to reallocate some existing resources through greater efficiencies or through trading lower priority programs for higher priority ones.
- New budgeting techniques do not immunize leaders from having to make hard choices among competing demands in redirecting priorities and reallocating budgets. The exercise of these choices commonly trigger internal conflict between perceived “winners” and “losers.”

So, how do court leaders make these tough decisions about setting priorities for change, innovation, and improvements; and how do those same leaders determine the types of expenditures they want to include in their budget development requests? Strategic planning provides the framework within which information can be (1) gathered to identify needed change and innovation, and (2) evaluated to select priorities for funding.

COUNTY COURT PLANNING, JUDICIAL COUNCIL STATEWIDE INITIATIVES, AND BUDGET DEVELOPMENT

Strategic planning and budget development are integrally connected as part of a larger strategic management cycle.

Strategic Management Cycle



(Note: In practice, the cycle may not be sequential. This illustration is designed to show the interrelationship between the key components of the process.)

We are in the early stages of creating the strategic management cycle that will support both the courts and the Judicial Council. In the decentralized management structure of the California judicial branch, strategic planning and budget development are now taking place at both the state and county levels. These efforts are directly connected with one another and operate on both levels simultaneously.

In terms of strategic planning, the strategic plans developed by county courts will inform the Judicial Council's statewide planning efforts by identifying program areas in the courts for which statewide initiatives may be needed and appropriate. At the state level, the Judicial Council strategic plan will articulate to the Governor, the Legislature, and the public at large, the statewide goals of the judicial system in assuring the effective and efficient administration of justice for

the people of California. At the same time, the county court plans will guide the decentralized management of court operations.

In terms of budget development, the county court plans will serve as a source document that identifies program areas from which the courts develop their budget requests. From the court budget requests, the Trial Court Budget Commission will then craft a statewide budget request for Judicial Council consideration. The Judicial Council's approved statewide budget request then will document how the courts will use the requested resources to accomplish the goals and innovations identified in their strategic plans.

Effective and efficient strategic planning and budget development will enable the courts to successfully obtain the resources needed to provide the highest quality services to the people of California. To further help the courts understand the connection between planning and budget development, information about strategic planning in general and the Community-Focused Court Planning Model and county team activities are presented in the next two sections of this paper.

PART 2:

GENERAL OVERVIEW OF STRATEGIC PLANNING

Purpose. The purpose of strategic planning is to improve the chances of reaching desirable possible outcomes, to create the future, not to predict it.

Benefits. Strategic planning enables an organization to:

1. prepare for contingencies that could prevent it from attaining its goals;
2. prepare a framework for the organization's orderly growth and progress, and
3. have a strategy for the allocation of resources in a manner that will allow the organization to meet its goals.

Defintion. *Strategic planning IS NOT* a quick fix. It is a long-term investment with payoffs that increase over time. It also is not a magic wand. Any plan must be accompanied by commitment and action if it is to achieve results.

Strategic planning IS:

- a defined, long-term, future-oriented process of assessment, goal setting, and strategy building that maps a common sense approach to anticipating a future that is both desirable and achievable.
- a careful consideration of an organization's capabilities and environment that leads to priority-based resource allocation and other decisions.
- a disciplined effort to produce fundamental decisions and actions that guide and shape what an organization is, what it does, and why it does it.
- an essential tool that permits an organization to be adaptable to ever changing, increasingly complex environments.
- a long-range approach that requires regular reviews and updates to check progress and reassess the validity of the plan.
- a participatory process that considers the needs and expectations of customers and stakeholders (including policy-makers) in defining missions, goals, and performance measures.
- a structure for inspired, yet practical decision-making and follow-through.
- the first step in an overall Strategic Management Cycle for the organization.

KEY POINTS



Participation Is Crucial. Some leaders are tempted to pay lip service to strategic planning while not actually being personally involved. Others often are tempted to prepare the whole plan themselves. Leaders must recognize their own role in the plan as well as the roles of others in the organization. The leader who wholly delegates his or her responsibility sends the message that strategic planning is not important enough. The leader who puts the plan together without participation from others who must carry it out produces a document to which only one person is committed.



It's Both the Journey AND the Destination. Strategic planning is more than filling out forms or compiling a document. Most of the value is realized in the interactions and learnings that occur during the process of planning itself.



Size Doesn't Matter. A small organization obviously will not have as many people to call on in performing the planning function as a large one. In a small organization, one person may be called upon to perform the work of several suggested participants.



An Essential Outcome of the Process: Resource Allocation. One of the primary and most beneficial outcomes of comprehensive strategic planning is that it provides an organization's leaders the information needed to establish priorities and allocate resources so that the organization is best positioned to achieve its desired future. Because the strategic plan should drive the organization's budget, it should be developed or updated preceding the budget process. An organization's leaders should ensure that sufficient resources are included in its budgeting and allocation process for conducting all tasks associated with the strategic planning process itself.

COMMUNITY-FOCUSED COURT PLANNING

The general elements of strategic planning described above have been woven into a *Five-Step Community-Focused Court Planning Model* that is currently in use by courts and county court planning teams in counties throughout California. A full description of the definitions, processes, and perspectives that make up this model are described below. The terms used and the order in which the steps are engaged in may vary somewhat from the general description included above, but the same basic and essential elements to effective planning are found in both models.

It is difficult to take a cold and dispassionate look at our current predicament. Our instinct is to make the best of it and to rationalize any frustration we have. If our goal is to meet all customer requirements, we can easily rationalize falling short. We can adopt the belief that time will make things better. We tend to keep on doing what we are currently doing, and perhaps do more of it The first act of courage, then, is simply to see things as they are. No excuses, no explanations, no illusions of wishful progress. . . .

—Peter Block, *The Empowered Manager*

SETTING THE PLANNING CONTEXT: THE COURT SYSTEM'S CURRENT ENVIRONMENT

The desire for justice is one of the most basic and primary aspects of human civilization. In the United States, the founders of our democracy, based on experiences with the monarchy in Britain and their experiences with the Iroquois Confederacy in the new land, created independent courts to ensure that:

1. Individual liberty is protected from governmental interference;
2. The rule of law, not the desires of individuals, govern the conduct of all; and
3. Individual disputes are resolved in peaceful and creative ways to ensure the ongoing life and fabric of society.

To fulfill these purposes, the court system must operate very differently from the other branches of government. The courts must apply the law as enacted by the Legislature, not create it. California state judges, although typically appointed to office by the Governor, must run for nonpartisan election. Judges must apply the existing law to the facts of each individual case and not be swayed by public opinion or political pressures. While protecting the independence of judicial decision making to ensure the proper functioning of the system, judges can and

should lead the courts in ensuring the effective and efficient administration of justice. This leadership will take the courts into new roles and responsibilities required by the current and ever-changing environment.

The courts face an unprecedented period of changing external environments in social, economic, political, and technological arenas that directly affect the justice system. Different areas of the law, traditionally considered separate, continue to become increasingly complex and interdependent. The public and court users continue to increase their demands on and expectations of the courts in not only fulfilling their traditional role but also in assuming new responsibilities. The other branches of government, the news media, and the public have all increased their scrutiny of the court system, particularly in high-profile cases. And public trust and confidence in government and the court system have diminished.

The courts also face increased internal tensions related to the need to accommodate external changes while retaining traditional purposes, ongoing responsibilities and the fundamental values that the court system serves in our democratic form of government. One way to prepare the courts to handle their changing external and internal environments is to use countywide court planning that is community-focused.

PLANNING, THE COURTS & THE COUNTY TEAMS

Types of Planning. There are many different types or levels of planning that government and organizations can and do engage in. The types of planning that are addressed at this conference and in ongoing court planning activities are described below.

1. ***Long-range strategic planning*** defines the long-term vision and mission of the court, uses extensive court user and public outreach efforts, identifies and describes long-range issues, and identifies goals and strategies for addressing those issues over the long term.
2. ***Operational planning*** takes the long-range plan and identifies specific objectives to be accomplished by the courts during a specific short-term period.
3. ***Action planning*** identifies the projects and tasks that must be undertaken to achieve the objectives specified in the operational plan.

County Team and Court Roles. The county teams have been charged with the responsibility to assist their county courts in the local strategic planning process

to establish long-term goals for the courts in relation to their communities. *It is up to the courts, with input from their communities, to develop operational and action plans that establish the strategies, objectives, priorities, and tasks necessary to implement the plan.* An example of the types of information that would be contained in each level of planning document is included in the attached “Sample Plan Format.”

COMMUNITY-FOCUSED STRATEGIC PLANNING: DEFINITION

Community-focused court strategic planning is an inclusive, ongoing process by which participants envision the future of their courts and then develop the structures and procedures required to achieve that future. The intent is to create the future, not predict it. *Community participation and inclusion* in court planning helps the courts clearly consider all perspectives to ensure that a strong and effective partnership is developed. *Building a sense of community* among planning team members, with members of the local courts, and with stakeholders ensures that the planning process will be constructive and that its products will be useful to the widest audience.

COMMUNITY-FOCUSED STRATEGIC PLANNING: THE BENEFITS

The intended benefits of community-focused strategic planning for California courts are to:

- Ensure a clear, consistent, and shared sense of purpose for the county courts;
- Provide a point of reference for internal court management decisions;
- Gain commitment from those within the county courts by clearly communicating the direction and priorities of the organization;
- Achieve understanding and support from those outside the organization who are important to the courts’ success;
- Minimize the element of surprise for county courts and maximize the ability to manage change;
- Reduce competition for and conflict over limited resources; and
- Foster congruence between statewide and county court justice system goals.

Community-Focused Strategic Planning: The Five Steps



The five steps of community-focused strategic planning that are addressed in the five steps of the process are:

STEP 1 — ENABLING COMMUNITY FOCUS

Establishing a community focus in court planning requires that planning teams be (1) **inclusive**, representing the diverse blend of perspectives on the role and operation of the local courts deemed necessary by local conditions (e.g., demographics) and circumstances (e.g., business development), and (2) **active in building a sense of community** among team members and with members of the public.

Methods for involving the community in court planning, include

1. involving community members as representatives on planning oversight committees;
2. holding special focus group meetings with community groups and members on specific court-related issues;
3. creating ongoing community advisory committees;
4. conducting organized outreach programs to the public and specific groups interested in judicial branch operations; and
5. soliciting public comments through court user surveys.

STEP 2 — ARTICULATING THE COURT’S VISION AND MISSION

The ***greatest challenge*** of strategic planning is ***to preserve the cherished core of the organization’s ideology (i.e., values and purpose) while simultaneously stimulating progress*** and change in everything that is not part of that core ideology. To do this, those who participate in the planning process must take the time to focus on the core ideology and clearly articulate it. This step of the planning process may easily take form or it can take a significant investment of time so that all who participate understand and clearly describe this core of information.

The ***vision*** of the countywide courts *is the agreed-upon set of core values* that:

- Defines what the courts, team members, and court planning participants want to become and stay;
- Is intrinsic to the organization and independent of current trends in the environment;
- Transcends individual leaders, current practices, and management fads; and
- Is authentic, i.e., the values are discovered, not created.

An organization’s ***mission is a confirmation of the organization’s purpose*** that:

- Describes its fundamental reason for being;
- Inspires and directs change;
- Connects and motivates people; and
- Serves as the reference point for the strategic planning process.

STEP 3 — IDENTIFYING EMERGING TRENDS, STAKEHOLDER EXPECTATIONS, AND KEY RESULTS AREAS (ISSUES)

Data gathering involves the *collection of existing and new information* related to current court operations *and likely future needs*. **Analysis** relates the data that are collected to the vision and mission of the court and to its functional areas of responsibility.

1. A **trend** is a pattern of change over time in something of importance for the observer. An **issue** is a trend that receives sufficient attention to require an action to be taken. **Scenarios** are compilations of trends that present different images of the future.² The Commission on the Future of the California Courts engaged in scenario futures planning for California; the results of its work are found in its final report to the Judicial Council, *Justice In the Balance 2020*. As the courts' initiate community-focused strategic planning at the county level, they will identify issues based on trends information and develop strategies to address those issues. **Trend analysis** involves a continual review of the courts' and the community's: Political Mandates; Economic Conditions; Social Values; and Technical Advancements.

2. To conduct a **stakeholder analysis**, the organization must determine: **Who** the key stakeholders are (i.e., the primary groups who use or provide the organization's services or influence its activities); **What** the stakeholders will expect more or less of in response to their changing needs; and **How** the stakeholders will evaluate the courts' performance (i.e., the criteria they will use to measure the courts' responsiveness to their needs).

3. A **Key Results Area** is an *area of organizational behavior where superior performance will produce outstanding results* in terms of benefits to the stakeholders. Sources the courts may consider in identify key results areas for inclusion in their plans include:

- a. **The basic functions of the court** (e.g., case management, records management and preservation, jury management).
- b. **The broad statewide goals of the California Judicial Council:**
 - **Access, Fairness, and Diversity.** Improve access, fairness, and diversity in the judicial branch;
 - **Independence and Accountability.** Ensure the institutional independence of the judiciary as a separate branch of government, secure the resources necessary for its support, and protect the independence of judicial decision-making;

² Institute for Alternative Futures

- **Modernization.** Modernize judicial administration practices in court and case management and court technology;
 - **Quality of Justice and Service to the Public.** Promote the quality of justice by providing services to the public that meet their needs and enhance their understanding of and support for the judicial branch; and
 - **Education.** Achieve the goals of the Judicial Council through judicial branch education and professional development.
- c. The **Trial Court Performance Standards**, some of which overlap with the Judicial Council goals
- **Access to justice**
 - **Expedition and timeliness**
 - **Equality, fairness, and integrity**
 - **Independence and accountability**

STEP 4 — DEVELOPING PRIORITY GOALS AND MEASURES OF SUCCESS

Priority goals are ambitious statements of what should be accomplished in specific areas of need. **Measures of success** will typically include a mix of behavioral and attitudinal indicators of the ways in which various individuals relate to or do the work of the county courts.

Strategic goal setting requires planners to identify goals (not statements) that: Challenge the status quo; require little or no explanation; and are consistent with the vision and mission; measurable; and elevating.

Measuring success is often seen as a complex and subjective area of endeavor. By virtue of the unique role the courts play, the courts must balance the need for performance measurement with the independence in decision-making needed to ensure the continued rule of law. Much of the tradition of performance measurement comes from the industrial part of the private sector, where work measurement looks at how to improve production. This model does not translate well into public or private sector enterprises that provide services. Court caseload data alone, however, does not necessarily provide a full picture of all of the work done by the courts nor does it measure the effectiveness, efficiency, or responsiveness of the courts to the community. A **better approach for service-oriented entities**, including the courts, is the use of a “change-agent model.” This model **recognizes that the agency or program provides services (inputs) that act upon the environment to produce demonstrable changes (outputs) in the well-being of clients, families, or communities.**

In determining measures of success of the courts' plan, approaches that expand on the traditional measures are needed to assure a full range of information with which the courts can assess their own performance. ***To create performance measures***, it is important to ***first reconnect with the organization's mission and stakeholder expectations, and consider what results are already being measured, rewarded and/or punished in the organization.*** Once the current measures are identified, ***consider how those measures might be changed to provide a clearer picture of the results achieved, and how those results relate to the mission and stakeholder expectations.***

STEP 5 — DESIGNING IMPLEMENTATION STRATEGIES AND MONITORING SUCCESS

Creating implementation strategies requires assigning specific objectives and tasks to goals sought to be achieved. ***Monitoring success*** tracks milestone dates and responsible individuals or groups to assure accomplishment of specific tasks. Designing strategies to implement the county courts' plan is a key step in the planning process. This is the step that grounds the vision, mission, and goals of the organization — where planners identify the actual objectives and action steps needed to move the organization toward its desired destination.

Getting plans off the shelf and into action has been the weakest step for many organizations. One of the surest ways to avoid this “weak link” in plan implementation is ***participatory planning***. People are more inclined to implement plans they have had a hand in producing than those that are handed down or imposed on them. An environment that fosters creativity and innovation is created by bringing people who hold different perspectives together to work together in an atmosphere that rewards new ideas.

Once the courts have developed their long-range strategic plans with involvement of and input from their communities, it is the courts' responsibility to develop both operational and action plans to ensure that action is taken to address the issues identified. The county courts' ***operational plan*** addresses the goals and strategies identified in the long-range strategic plan by identifying courts' priorities for the short-term and guiding major court activities by linking them to operational objectives. Once the operational plan is developed, the ***action plan*** identifies projects and tasks to be accomplished to address the priorities in the operational plan.

MONITORING THE PROCESS

Planning is an evolutionary process that allows new ideas to be tested within the legitimate constraints faced by the organization. As these ideas are tested and

success is measured, the organization refines its plan and looks for other new ideas to continue its growth.

As an ongoing process strategic planning requires all of those involved to: focus on results, not activities; compare actual to intended (and unintended) outcomes; keep the purpose firm and the plan flexible; communicate and celebrate meaningful achievements on a routine basis; demonstrate their commitment to the process and the use of the plan in key management decisions; and test the assumptions underlying the plan and track the trends.

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